

Philadelphia banks, borrowers in the larger categories could be well accommodated. This ignores again the realities of the situation and the positive testimony that in the larger industries, there is a decided reluctance on the part of financial officers to be made the subject of participating loans. With the originating bank, there is also an aversion to these loans as it requires considerable negotiation and technical handling which is to be avoided wherever possible.

The evidence demonstrated beyond peradventure of doubt that the Philadelphia area, plus parts of Delaware and New Jersey, and also New York City, as well as most of the northeastern part of the United States, is the area of active competition for Philadelphia commercial banks and for the proposed merged bank. The testimony discloses that the competitive effect upon all Philadelphia commercial banks will be minimal. The larger bank, however, will be able to compete on better terms and in a better atmosphere with the banks of other cities and States that have been draining this area of banking business which might well be and perhaps properly should be handled here, and which cannot be handled under present circumstances. That it will benefit the city and area has been established clearly by a fair preponderance of the evidence as has been set forth in the findings of fact of the defendants previously affirmed.

There is nothing in this record which supports the averments of the complaint that the proposed merger involves an unlawful combination in restraint of trade; would result in or tend toward monopoly, or violate the provisions of the Clayton Act, if applicable; and the proposed merger certainly violates no provision, either express or implied, contained in the Bank Merger Act of 1960.

Since the proposed merger contains none of the defects alleged in the Government's case and will be in the public interest, it follows that judgment must be entered in favor of the defendants and against the plaintiff.

TVA'S TRIBUTARY PROGRAM

Mr. KEFAUVER. Mr. President, the proposed budget for fiscal year 1963 which President Kennedy recently submitted to the Congress envisages an important and historic step for the Tennessee Valley Authority.

It is proposed that the TVA spend \$2.5 million during the coming fiscal year to begin work on the multipurpose development of the Beech River in west Tennessee. What distinguishes this resource development project from others in which TVA has heretofore engaged is: First, it represents TVA's first major move in the development of tributaries of the great Tennessee River; and, second, it calls for a sound new demonstration of the partnership for progress that has always existed among the TVA, State and local people in the Tennessee Valley.

One of the most enthusiastic and articulate advocates of the principle of tributary development by the TVA has been one of the Nation's great newspapers, the Nashville Tennessean. Therefore, it speaks with energetic authority in its comments of the Beech River project in an editorial appearing in that newspaper on January 19, 1962.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TVA'S TRIBUTARY PROGRAM MODEST, BUT SOUND, START

In his budget message to Congress yesterday, President Kennedy proposed a \$2.5 million appropriation next year to initiate a tributary stream development program in the Tennessee Valley.

Under this proposal, developed by the Tennessee Valley Authority following a couple of Presidential promptings, the Beech River watershed of west Tennessee would be developed with a series of 14 small multipurpose dams and 80 miles of channel improvement, at an estimated total cost of \$6 million.

It is a modest beginning. But it is a start. And a sound principle has been established for completion of the river basin development job upon which TVA embarked more than a quarter century ago.

The financing proposals suggested are entirely sound. Local and State participation are involved, it is true, but recognition is given to two facts upon which this newspaper has predicated its insistence that capital financing and planning originate at the Federal level:

1. Local governments in Tennessee simply do not have sufficient revenue sources to undertake the broadly based basin-type development which commonsense and good conservation practices dictate. With demands growing upon the State for more revenue for education, highways, etc., it is likely Tennessee, too, would find difficulty raising the needed funds.

2. TVA, long since created for the very purpose this proposal entails, is the proper agency to develop the plans, to control projects which are an integral part of the mainstem system, and therefore to supply the capital funds necessary.

In its announcement of the Beech River program, TVA has taken note of the lack of local revenues, but there is nothing at all amiss in its suggestion that "under this plan the portion of the system which is primarily beneficial to the local area would pay for itself." And we know by long experience that this sort of development produces both the benefits and the local revenues mentioned.

It was our hope that TVA would embark on a bit more ambitious plan such as the Elk River basin offers. But it seems the directors want to utilize the Beech River watershed program as something of a pilot project, and we see nothing wrong in this as long as they do not forget there are other areas of perhaps more significant need.

We shall, therefore, continue to press for a broadening of this program with its multipurpose functions, designed to lend greater emphasis to the conservation-development role of the Authority.

In a conservative Congress, approval of the TVA-Presidential request is not assured, of course. It is therefore imperative that the valley delegation, which has a vast future stake in this program though only one congressional district is immediately involved, stand united behind the traditional principles to which the people of this State and valley adhere.

NEED FOR A REVIEW OF NATION'S TRANSPORTATION INDUSTRY

Mr. KEFAUVER. Mr. President, more than any similar event of recent years, the merger agreement by the Pennsylvania and New York Central railroads has pointed up the need for an overall

review of the Nation's transportation industry.

Several days ago I proposed such a review by a Presidential commission. Now I note that the Nashville Tennessean, in an editorial on January 19, 1962, suggests that the Interstate Commerce Commission undertake a review of the entire rail system. However we may differ as to detail, we agree on the need for a study not confined to this proposed merger alone, and on the principle that monopoly must be avoided, competition preserved and the public interest protected.

I ask unanimous consent that the editorial appear at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RAILROAD SYSTEMS REVIEW NEEDED

Formal agreement to merge the nation's two largest railroad systems—the Pennsylvania and the New York Central—is symptomatic of deep-rooted troubles in the entire rail industry which foreshadow other consolidations.

The two lines, which together represent some \$5.4 billions in assets have agreed on merger terms. Many obstacles, including approval by the Interstate Commerce Commission, lie ahead, however. These could delay action possibly 2 years or more.

Both lines had rough going last year, although the Pennsylvania managed to end the year in the black. The merger, which would result in a 20,000 mile network formed by the two parallel systems, is estimated to save \$100 million a year.

Many of these lines' financial troubles stem from overcapacity and excessive duplication of service. Few would argue that elimination of these weaknesses would, of themselves, bring about the kind of monopoly in railroad operation which made creation of the ICC necessary.

In various stages of negotiation are other mergers, including the Atlantic Coast Line and Seaboard Air Line; the Great Northern, Northern Pacific, and Chicago, Burlington, and Quincy; the Norfolk and Western and Nickle Plate; and the Chesapeake and Ohio and the Baltimore and Ohio. Each of these mergers would result in multimillion dollar operating cost economies.

The dilemma of the railroads, in fact, has reached such proportions that a piecemeal attack by separate consideration of individual merger plans is no longer adequate. What is indicated is a comprehensive review by the ICC of the entire rail system.

It should be reshaped to meet the demands of the times, with primary emphasis on protection of the public interest.

This means preservation of real competition, and protection of shippers, passengers, railroad workers, and the towns the roads serve. Crippling of the nation's lifelines must be prevented.

UNANIMOUS-CONSENT AGREEMENT TO VOTE AT 2 P.M. WEDNESDAY, JANUARY 31, 1962, ON THE NOMINATION OF JOHN A. MCCONE TO BE DIRECTOR OF CENTRAL INTELLIGENCE

Mr. MANSFIELD. Mr. President, I should like to have the attention of the Senate.

The VICE PRESIDENT. The Senate will be in order.

The Senator from Montana may proceed.

Mr. MANSFIELD. The Senate will recall that some time earlier it gave its consent to vote on the McCone nomination at 2 o'clock this coming Wednesday. The request was made on the assumption that the American congressional delegation to the Punta del Este Conference would return to Washington, D.C., at 9 a.m. Wednesday morning and that therefore the rights of a Senator would be well protected if the vote were taken at 2 p.m. that afternoon.

Due to the fact that the Punta del Este Conference is still in session; that decisions have not been reached; that a particular member of the delegation asked that the vote on the nomination be held up until his arrival; at this time, in furtherance of that request and in view of the circumstances involved, on the basis of the absence of a Senator due to a presidential appointment in effect to enable him to attend a conference, I wish to ask that the vote on the McCone nomination be held over until 2 o'clock on Friday next.

Mr. SALTONSTALL. Mr. President, I shall object. It will be the first time in 17 years I have objected to a unanimous consent request. I shall object because I believe this is an extremely important agency and I believe that we should act upon the nomination promptly. The nomination has been held over now for more than a week since the Committee on Armed Services reported the nomination unanimously.

Because of the importance to our national security and because of all the problems involved, I object.

I say to the distinguished majority leader that I believe it is quite clear the nomination of the gentleman will be confirmed, but in order to be courteous to any Senator who is away on a presidential commission I shall be glad to give that gentleman a live pair if I am told by the majority leader that there is any Member of that presidential commission who is a U.S. Senator who wishes to vote against the nomination of Mr. McCone. I say now publicly to the majority leader, if he will give me his word that man wishes to vote "Nay" I shall give the Senator a live pair, but I object to further postponement of the vote on the nomination.

Mr. MANSFIELD. Mr. President, I appreciate the courtesy of the Senator from Massachusetts, and I shall keep his suggestion in mind. He is always kind and considerate.

Mr. President, I ask unanimous consent, in view of the request made by our absent colleague, that the vote on the McCone nomination be deferred from 2 p.m. on Wednesday next until 2 p.m. on Thursday next.

Mr. DIRKSEN. Mr. President, I share the same feeling of distress about objecting. I know many Members have made plans contingent upon the vote coming on Wednesday as originally scheduled.

I am very reluctant to object. I think in the interest of the Senate, and the implied commitments that were made, I would have to object. I would also

tender my services and offer a live pair to the Senator in question, because I presume his vote would be opposite mine. I make that tender now.

Mr. MANSFIELD. I do not know how our absent colleague would vote. He did request, though, that the vote be held up until his arrival. We have tried to comply with that request. The time was set for 2 p.m. on Wednesday next. It appears that there is no possibility of obtaining a further extension. So at this time I will make no further request. I thank the distinguished Senator from Illinois [Mr. DIRKSEN] for his offer.

AID TO HIGHER EDUCATION

Mr. LONG of Missouri. Mr. President, last fall I acted as an intermediary in a very important exchange of correspondence between Dr. Elmer Ellis, president of the University of Missouri and the senior Senator from Oregon [Mr. MORSE] chairman of the Senate Subcommittee on Education.

Dr. Ellis in this correspondence raised a number of objections to S. 1241 as reported.

He questioned its program of loans only for the construction of academic facilities. He also questioned its provisions for the States rather than institutions of higher education to determine who receives scholarships. In place of S. 1241, he offered a number of alternative suggestions to aid higher education.

Since this bill will be laid before the Senate soon, I believe all Senators will find this correspondence of great interest. I, therefore, ask unanimous consent that Dr. Ellis' original letter, the reply of the senior Senator from Oregon, and the further letter of Dr. Ellis be printed at this point in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

OFFICE OF THE PRESIDENT,
UNIVERSITY OF MISSOURI,
Columbia, Mo., September 19, 1961.
Senator EDWARD V. LONG,
U.S. Senate,
Washington, D.C.

DEAR ED: I notice that the Senate Committee on Labor and Public Welfare has approved a version of Senate bill 1241 which is directly contrary to the interests of all State universities and colleges.

1. It offers loans but not grants for construction of academic facilities. This is absolutely of no use to any public institution in Missouri and almost no private college or university.

2. It offers grants for construction of academic facilities only to public community colleges. This is highly discriminatory against 4-year colleges and universities, public and private, and is highly discriminatory against certain States that do not have many junior colleges. While we will have more in Missouri in the future, still States like California, Iowa, and Texas which have a great many, would get most of this money. Moreover, why should the Federal Government discriminate against 4-year institutions if that is what other States need?

3. The bill would establish a Federal scholarship program administered through State commissions rather than through the colleges and universities. Personally, I have no particular enthusiasm for big scholarship programs but if we are to have it, it is far more sound and much cheaper to adminis-

ter it through the universities and colleges rather than through a State commission. Colleges and universities administer the present loan program of the National Defense Education Act without criticism.

I would be glad to enlarge on any of these points if you wish. I think, however, it has become a very bad bill and should not be passed in this form under any circumstances. I am certain it is bad for the State of Missouri.

Cordially,

ELMER ELLIS.

U.S. SENATE,
COMMITTEE ON LABOR
AND PUBLIC WELFARE,
October 5, 1961.

HON. EDWARD V. LONG,
U.S. Senate.

DEAR SENATOR: Thank you for bringing to my attention and that of my subcommittee, the September 19, 1961 letter addressed to you by President Elmer Ellis of the University of Missouri.

The points raised by President Ellis parallel views expressed by other educators in our hearings on S. 1241. I would only point out that, as indicated in the testimony of President Case of Colgate, which may be found on page 287 of the hearings, the committee did receive testimony that the loans are needed, are one practical way of meeting the urgent demands of academic facilities and would be used to the full extent of the \$300 million a year authorized for the 5-year period.

It is true, that President Case would welcome matching grants to institutions of higher education. However, as I am sure you realize, in view of the controversy which has enveloped other educational bills this past session, it might be most difficult to enact an across-the-board grant proposal.

These difficulties can be summarized somewhat as follows:

If grants to public institutions of higher education only were to be adopted then strong protests could be expected from non-public institutions of higher education on the grounds of discriminatory treatment. It would be said that "the unity of higher education" was threatened. If grants are proposed for both private- and church-related institutions of higher education serious objection could be expected to be heard from a broad spectrum of the American public which holds, with sincere conviction, that such a course in all probability would be repugnant to the first amendment of the Constitution. Furthermore, the claim could be made, and with considerable justification, that if such benefits were to be conferred upon both public and private institutions of higher education, then in all equity equivalent benefits should be made available to the nonpublic or church-related secondary and elementary schools. I am aware that there are those who would attempt to draw a strict distinction between elementary and secondary education on the one hand and higher education on the other, based upon the criterion of compulsory attendance. While I am cognizant of this line of reasoning, I find it personally very difficult thus to segmentize the Constitution. I have no doubt, however, that interest-bearing loans can meet the constitutional test, and that, as indicated by testimony, such a loan program would meet a current and pressing financial need of many institutions for instructional facilities. I suspect that present legal barriers under State law would be quickly overcome if the loan money were to be made available.

With respect to the grants contained in S. 1241 for the encouragement of junior college construction, I would point out the testimony presented to us indicated that publicly controlled community colleges are expanding in 41 States. In the fall of 1959,